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# Service Plan

Fiscal Year 2008

The Division of Risk Management (hereinafter “DRM”) provides property, casualty, and liability insurance coverage, claims administration, and loss control services to the participating insureds of the Risk Management Fund. Among those insureds are all state agencies, all public school districts, all public institutions of higher education, and most of the public charter schools. Utah Code Title 63A, Section 4, mandates the appointment of a risk manager, iterates the duties and powers of the risk manager, establishes the Risk Management Fund (hereinafter “Fund”), and directs the administration of the Fund. Critical to the administration of the Fund is the Governmental Immunity Act, Utah Code Title 63, Section 30d, which limits the exposure of the fund and the settlement authority of the risk manager. This Service Plan is prepared in compliance with Section 63A-1-111 of the Utah Code. Questions regarding the plan should be directed to Roger Livingston, Director, at 801-538-9598 or at [rlivingston@utah.gov](mailto:rlivingston@utah.gov).

What are the services we provide?		What are the methods used to provide each service?	What are the standards of performance for each service?	What performance measures are used to gauge compliance with the standards?
1. Property / Casualty / Liability Insurance Processes		Perform actuarial review based upon property values/ locations/uses; vehicle type/use; and actual loss history	Timely submit accurate, thorough loss history information to actuary	Complete and submit loss history analysis to actuary by July 1st
		Submit rate proposals to the Rate Committee (UCA 63A-1-114)	Timely submit premium proposals to Rate Committee	Complete and submit preliminary rate information to DAS Executive Director by July 17th
		Receive rate approval from Legislature (UCA 63-38-3.5)	Issue copy of policy to all insureds	Send copy of policy to each insured on or before August 1st
		Draft/revise insurance policy	Issue employee coverage information to each school district and charter school (UCA 63A-4-204 & 204.5)	Send employee coverage information to each school district and charter school by March 31st
2. Certificate of Insurance Processes		Application for Certificate of Insurance available on website	Ensure Application is available at all times during regular business hours	Issue a certificate of insurance within 48 hours after the receipt of a legitimate, appropriate application
		Building Survey form provided to obtain valuation/location/use information (we are currently working with DTS to make this form available on our website)	Remind all insureds to submit building survey forms whenever there is new construction, an occupancy change, or a substantial alteration of an existing building	Send every insured notice of the facilities covered by the Fund by June 15th of each year with a request for update

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3. Claims Administration Processes		<p>Provide claim intake and notification services for insureds and claimants</p> <p>Investigate claims to determine coverage</p> <p>Determine and establish appropriate reserve levels</p> <p>Negotiate and communicate with claimants, witnesses, client agencies, and legal counsel</p> <p>Request payment of deductibles from client agencies/insureds</p> <p>Tender payment of negotiated settlements</p> <p>Recover subrogation interests</p>	<p>Conduct prompt, professional claim intake without jeopardizing notice requirements of Governmental Immunity Act</p> <p>Conduct thorough, professional loss investigations by interviewing witnesses, evaluating physical evidence, and engaging appropriate experts</p> <p>Communicate professionally with and respond promptly to all client agencies/insureds, claimants, witnesses, and legal representatives</p> <p>Promptly issue settlement checks to client agencies/insureds, claimants and/or their legal representatives</p>	<p>Reply to all claim notification messages by the end of the next business day</p> <p>Assign each valid new claim to an adjuster within 2 days after notification</p> <p>Begin claim investigation and set reserves within 7 days after assignment</p> <p>Issue coverage, denial, reservation of rights letter within 30 days of claim assignment</p> <p>Reply to all telephone messages from claimants, witnesses, and legal representatives by the end of the next business day</p> <p>Review each open claim file at least monthly</p> <p>Document all communications and interactions in Claims Management System</p> <p>Process settlement checks and release/waiver documents within 2 business days after a negotiated settlement</p>

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4. Loss Control Service Processes		<p>Consult daily with our insureds' legal, managerial, and administrative staff to address and avoid liability</p> <p>Provide organization-specific and general liability awareness and avoidance training</p> <p>Provide on-site inspections to effect training and assess/address hazardous conditions</p> <p>Provide on-line self-inspection survey to assist insureds in understanding and identifying hazardous conditions</p> <p>Provide relevant risk-avoidance information on our website</p>	<p>Provide prompt and competent guidance to our insureds to avoid liability and cure harmful conduct and/or conditions</p> <p>Research and communicate general and agency-specific liability causes, trends, and effective cures</p> <p>Provide competent, supportive, and relevant liability awareness and avoidance training</p> <p>Maintain an accurate database of insured properties to facilitate accurate, useful survey results</p> <p>Utilize self-inspection survey reports to generate premium credits and cure hazardous conditions</p> <p>Develop and provide professional, informative website for dissemination of information</p>	<p>Reply to all phone messages from insured representatives by the end of the next business day</p> <p>Attend at least one relevant subject matter training during each fiscal year</p> <p>Devote an average of four hours per week reading and/or researching relevant subject matter literature</p> <p>Achieve a rating of 4 or greater (scale of 1 – 5) on all training seminars</p> <p>Send every insured notice of the facilities listed in the self-inspection survey database by March 1st of each year with a request for update</p> <p>Participate in each assigned insured's risk control meeting at least 2 times per year to review results of the self-inspection survey and review agency-specific liability causes, trends, and effective cures</p> <p>Conduct 20 site inspections each month</p> <p>Provide 8 liability awareness/avoidance training presentations to a total of 120 participants each month</p> <p>Update website monthly</p> <p>Publish and disseminate RiskWatch periodical quarterly</p>

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5. Workers' Compensation Coverage Processes <sup>1</sup>		Provide a guaranteed- premium policy covering work-related injury claims for all state employees	Consistently track every workers' compensation claim that involves lost time	Reply to all phone messages from agency claim managers and WCF representatives by the end of the next business day
		Train agency workers' compensation administrators to manage workers' compensation claims	Regularly assess each agency's performance in claim management	Attend at least one relevant subject matter training during each fiscal year
		Consult with agency claim managers and confer with representatives/adjusters from the Workers Compensation Fund to foster the expeditious and fair handling of employee claims	Collaborate with Workers Compensation Fund representatives to provide relevant, effective training for agency claim managers	Attend all depositions and hearings in contested matters
		Provide an effective disability prevention program	Assist each agency in developing and maintaining an effective return to work program	Devote an average of four hours per week to reading and/or researching relevant subject matter literature
			Provide competent, professional ergonomic assessments/worksites modification recommendations for requesting agencies to reduce work-related disabilities	Achieve a rating of 4 or greater (scale of 1 – 5) on all training seminars
				Participate in each assigned insured's risk control meeting at least once per year to review claim causes, trends, treatment issues, return to work programs, and effective corrective measures
				Meet at least quarterly with each agency's claim manager and Workers Compensation Fund adjusters to track time-loss claims
				Meet twice per year with Workers Compensation Fund adjusters to track claim causes, trends, treatment modalities, return to work programs, and effective corrective measures

<sup>1</sup>This coverage is currently provided to our state agencies through the Workers Compensation Fund (hereinafter "WCF"). All school districts, charter schools, and institutions of higher education are separately responsible to provide and maintain workers compensation coverage.

## What are the costs associated with each service?

INSUREDS	COST ITEMS	COSTS PAID/CHARGED
Participants of the Risk Management Fund: all state agencies, all public school districts, most public charter schools, and all public institutions of higher education	General Liability Premiums	\$14,623,583.00 <sup>2</sup>
Participants of the Risk Management Fund: all state agencies, all public school districts, most public charter schools, and all public institutions of higher education	Property Premiums	\$9,151,627.00 <sup>3</sup>
Participants of the Risk Management Fund: all state agencies, all public school districts, most public charter schools, and all public institutions of higher education	Automobile Premiums	\$1,256,016.00 <sup>4</sup>
All State Agencies	Workers Compensation Premiums	\$8,990.037.00 <sup>5</sup>

<sup>2</sup> This figure represents the general liability premiums charged to our insureds for fiscal year 2007. General liability premiums to be charged for fiscal year 2008 are under evaluation.

<sup>3</sup> This figure represents the property premiums charged to our insureds for fiscal year 2007. Property premiums to be charged for fiscal year 2008 are under evaluation.

<sup>4</sup> This figure represents the automobile premiums charged to our insureds for fiscal year 2007. Automobile premiums to be charged for fiscal year 2008 are under evaluation.

<sup>5</sup> This is an estimate of workers compensation premiums based on rates approved for fiscal year 2008. This estimate assumes there will be no rate adjustments based upon payroll/benefit increases and the accepted bid from the Workers Compensation Fund.